IN THE

Supreme Court of the United States

OCTOBER TERM, 1941

No. .....

TOMLINSON I. MOSELEY, RALPH M. KEELE and KEELMO CO., a corporation,

Petitioners,

vs.

UNITED STATES APPLIANCE CORPORATION,

Respondent.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

OPINION IN THE COURT BELOW.

The opinion of the Circuit Court of Appeals in the instant case is found in R. Vol. IV, page 866, and is reported as United States Appliance Corporation v. Beauty Shop Supply Co., Inc., et al., 121 Fed. [2d] 149, advanced sheet of August 25, 1941. The Findings of Fact and Conclusions of Law entered by the District Court are at R. Vol. I, page 54. The District Court did not write an opinion.

JURISDICTION OF THIS COURT.

The jurisdiction of this Court is invoked under Section 240 (a) of the Judicial Code as amended by the act of February 13, 1925; 28 USCA, Sec. 347 (a). The date of the judgment sought to be reviewed is June 14, 1941 (R. Vol. IV, page 873), but the petitions for rehearing were not denied until August 19, 1941 (R. Vol. IV, page 874), and this petition is filed within three months thereafter (28 USCA 350; R. S. Sec. 1008 as amended, Sec. 6 act of September 6, 1916, 39 Stat. 727). The discretionary power of this Court to grant a Writ of Certiorari is invoked upon the ground set forth in Rule 38, subdivision 5 (b) of the rules of this Court.

STATEMENT OF FACTS.

In General.

This is a suit in equity for infringement of Letters Patent No. 1,984,585 (R. Vol. III, page 534). The District Court found non-infringement as to all defendants with no finding as to validity (R. Vol. I, page 54). The Circuit Court of Appeals for the Ninth Circuit reversed the District Court and found the patent valid and infringed as to petitioners [1] on the ground of estoppel, but invalid because of want of invention over the prior art as to the other defendant Beauty Shop Supply Co., Inc. [2] (not a petitioner) (Opinion R. Vol. IV, page 866).

1. The only fact upon which the estoppel was based was that the petitioner Keele assigned the patent in suit (while in the application stage) to the respondent. The petitioner Moseley was not a party to the assignment, nor was the petitioner Keelmo Co. The petitioner Moseley only assisted Keele in developing for commercial use his new invention "Koolerwave," of which apparatus the device alleged to infringe is a part, and the petitioner Keelmo Co. was formed by Moseley and Keele for advancing their interests.

2. The Beauty Shop Supply Co., Inc. (not a petitioner) was the actual seller or disrtibutor of the devices alleged to infringe, obtaining them from the Rilling-Arnao Company, of Minneapolis, Minnesota (not a party to the suit), who manufactured the "Koolerwave" apparatus, paying a royalty to Keelmo Co. under patents owned by it on the "Koolerwave" apparatus.

The Patent in Suit.

The patent in suit discloses a very simple device for use in permanently waving hair. In the language of the Circuit Court of Appeals (R. Vol. IV, page 867) the device is—

> "being a jacket of 'a single piece of resilient rubber' to be applied over a 'waving form', (a short rod known to the trade as a 'curler') and a 'holder' for applying this jacket. In practice this holder, or clip, consists of two pieces of metal hinged together and when in place held in closed position by a spring. Such a holder was previously known to the art. In using the device covered by the claim steam is allowed to enter the rubber jacket through a nipple in the rubber and to exhaust through another similar opening in the rubber jacket. The steam is conducted to the jacket by a tube from a boiler. The trade name of the plaintiff's complete outfit is 'Pyro-mist'. *The use of rubber as a lining for the enclosing jacket was known in the art.*" (Italics ours)

The only thing which the patent taught was making the jacket of a one piece of resilient rubber. As to this fact the Circuit Court of Appeals said (R. Vol. IV, page 868):

> "A consideration of these prior patents shows similar devices and it will be found that the patented device merely substitutes flexible rubber for other material used in the prior art to make a jacket."

The use of the jacket taught by the patent and the manner of conducting steam to it from an external boiler was old in the art.

The jacket shown in the patent in suit was part of a machine known as "Pyro-mist" which the respondent built and put on the market about 1934. Along with the patent in suit the petitioner Keele conveyed other patents, including the external steam boiler, to the respondent. This machine was put on the market by respondent under the tradename "Pyro-mist" and was a total commercial failure, which fact was recognized by the Circuit Court of Appeals in its opinion. The "Pyro-mist" machine embodying as a part the device of the patent in suit employed the old steam method of waving hair which included a stand carrying a boiler and with tubes leading from this boiler to the individual jackets, which are the devices of the patent in suit. In contrast with this, the subsequent invention by petitioner Keele of the new "Koolerwave" apparatus (of which the device held infringing is a part) includes only individual devices applied to the head in each of which is placed a chemical cartridge capable of exothermic reaction to generate the waving heat.[3] The "Koolerwave" apparatus was an immediate and widespread success commercially.

The Device Held to Be Infringing.

The device held to be an infringement is but one part of "Koolerwave" apparatus and comprises a one-piece

3. Three subsequent patents were issued on the "Koolerwave" process, two to the petitioner Keele on the method and apparatus and a third to one Siebert on the peculiar construction of the chemical cartridge, the title in all three of these patents being in the petitioner Keelmo Co., the stock of which is owned jointly by the petitioners Moseley and Keele. The record shows that considerable time and expense was involved in the perfection of the "Koolerwave" apparatus and method of waving hair, both by the petitioners and by the Rilling-Arnao Company, the subsequent licensee under these patents. The Rilling-Arnao Company was not made a party to the suit, but one of its dealers, the Beauty Shop Supply Co., Inc., was made a party, and as to this latter defendant the Circuit Court of Appeals held that the patent was totally invalid for want of invention over the prior art, but as to the petitioners, the patent was held valid and infringed.

rubber jacket mounted in a holder which is a two-piece hinger affair held normally closed by spring means, which jacket is adapted to be applied over a strand of hair wound on a curler rod as in standard practice. The jacket is provided with a cartridge chamber for receiving a chemical cartridge which generates heat exothermically to a sufficient degree to effect a curl by the well known Croquignole method.[4] This jacket does not have any nipples or openings for the inflow and exhaust of steam and is not intended to be used in connection with tubes and an external boiler as taught by the patent. In fact, it would not work if it had such nipples or openings.

As to the difference between the device held to be infringing and the device disclosed and taught by the patent, the Circuit Court of Appeals found as follows:

(1) That the disclosure of the patent in suit required the rubber jacket to have two openings for the entrance and exhaust of steam (R. Vol. IV, page 872).

(2) That the device held to be an infringement contains no such openings and would not work if it had them (R. Vol. IV, page 872).

Thus, here we have the anomalous situation of a device being held to be an infringement by giving a broad construction to an invalid patent, which device, if made in accordance with the teachings of that patent and for the purpose taught by the patent, would be inoperative, and

4. The complete construction and operation of the "Koolerwave" apparatus and the device alleged to infringe will be found in petitioners patents Nos. 2,187,473, 2,187,474, 2,137,704 (R. Vol. III, commencing at page 590).

where if the patented device were made like the device held to be an infringement, it would not function for the purpose and use which the patent teaches.

The Patent Claims.

There are twelve claims in the patent and all of them, except claim 3, includes the element "an opening for the inflow of steam" *not present in the device held to be infringing.*

The claim which the Circuit Court of Appeals apparently held infringed was claim 3 of the patent. This claim does not include the element "an opening for the inflow of steam" and reads as follows:

> "3. In permanent hair waving apparatus, a jacket adapted to be applied about a waving form, said jacket being formed of a single integral piece of resilient rubber, and a holder to which said jacket is detachably secured, said holder including opposed relatively movable members secured to opposed wall portions of the jacket."

SPECIFICATION OF ERROR.

The Circuit Court of Appeals erred in disregarding the applicable decisions of this Court by giving a broad construction to the claim or claims of the patent in suit, because of the existence of an estoppel to deny validity in total disregard of the fact that the patent was invalid for want of invention over the prior art, and thereby finding infringement thereof by petitioners.

ARGUMENT.

THE DECISIVE RULING OF THE CIRCUIT COURT OF APPEALS.

The Circuit Court of Appeals ruled on the question of infringement (R. Vol. IV, page 872):

> *"The patent claims, however, do not confine the invention to the specific form of apparatus shown in the patent drawings and does not mention such openings.* [5] Such openings were used in jackets shown in prior art patents cited above. *We can see no reason why the vendor of claim 3 of the patent should be permitted to narrow the claim and thus escape the charge of infringement* where the patented apparatus is used with steam generated therein, hence not requiring the use of openings for the passage of steam." (Italics ours)

By the word "patented" in the last quotation, the Circuit Court of Appeals apparently meant patented to the petitioners and not the patent in suit.

Thus, it is manifest that the Circuit Court of Appeals rules infringement only of claim 3 and no infringement of the remaining claims in suit because the latter expressly include "an opening for the inflow of steam" not present in the device held to be an infringement, while claim 3 does not include such an element and is therefore broader. It always has been the law that the omission of an element and its function from a patent claim avoids infringement of that claim. (*Prouty* v. *Ruggles,* 16 Peters 341; *Cimiotti Unhairing Co.* v. *American Fur Refining Co.,* 198 U. S. 399.)

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5. Claim 3 is the only claim omitting such mention.

As stated, the device held to infringe does not have an opening for the inflow of steam because it includes directly within it, in a chamber provided for that purpose, an exothermic heating cartridge and consequently omits the use of any element for the inflow of steam.

At this point it should be pointed out that the patent in suit does not teach the use of a chemical cartridge nor contemplates such use, nor does it make any provision such as a cartridge chamber for receiving such cartridge. Therefore, the only similarity between the two devices is the physical one that they both include a one-piece resilient rubber jacket and both are used for waving hair as taught by the prior art.

In view of the fact that the Court found *absolutely no invention in the device of the patent in suit over the prior art,* as against a stranger to the patent it undoubtedly should have applied the well recognized rule of construction in construing the claims thereof. This rule of construction is well stated in the opinion of this Court in *Miller* v. *Eagle Manufacturing Company,* 151 U. S. 186. [6]

Where a claim eliminates an essential element of the device, the Court, in construing such a claim, where the prior art is very close will read into the claim essential elements not stated in the claim. This was done by this Court in *Westinghouse Co.* v. *Formica Co.,* 266 U. S. 342, as well as in many others. It has been the uniform prac-

6. The decisive holding of that case is as follows (at page 208): "We think it manifest, from the prior state of the art, if the invention covered by his patent of 1879 was not anticipated, and if it has any validity, that it must be limited and confined to the specific spring device which is described in the specification and shown in the drawings forming parts of the letters patent. Being thus limited, there is clearly no infringement in the device used by the appellants or their principals, P. P. Mast & Company."

tice of the courts, if conceding the validity of the claims, to narrow the same to the precise structure shown in the patent or its full equivalent.

The Circuit Court of Appeals, however, manifestly refused to apply such rule of construction in this case because of the existence of the estoppel, despite the fact that it held as against a stranger to the patent that the patent was totally invalid for want of invention over the prior art. Thus, it broadened the doctrine of estoppel so as to apply a different rule of construction of a patent claim as against one estopped to deny validity than it would have applied to a stranger to the patent. This is in direct conflict with the rule of this Court in such cases as laid down in the case of *Westinghouse Co. v. Formica Co.* (supra). In that case this Court, speaking through Mr. Chief Justice Taft, stated:

> " 'The Court will not assume against an assignor, and in favor of his assignee, anything more than that the invention presented a sufficient degree of utility and novelty to justify the issuance of the patent assigned, and will apply to the patent the same rule of construction, with this limitation, which would be applicable between the patentee and a stranger.' " [7]

The Circuit Court of Appeals recognized in its opinion the rule of the *Westinghouse Co. v. Formica Co.* case (supra) (R. Vol. IV, page 871):

> "This question is not without difficulty because even as against a vendor of the patent the claims of a patent must be construed in the light of the prior

7. This language was taken and cited with approval by Mr. Chief Justice Taft from the decision of Mr. Justice Lurton in *Noonan v. Chester*, 99 Fed. 90.

art and be construed narrowly or broadly in accordance with that art. Westinghouse Co. v. Formica Co., supra."

but expressly disregarded this rule by refusing to narrow the claim of the patent, which it had held totally invalid because of want of invention over the prior art, by ruling:

> *"The patent claims, however, do not confine the invention to the specific form of apparatus shown in the patent drawings and does not mention such openings.* Such openings were used in jackets shown in prior art patents cited above. *We can see no reason why the vendor of claim 3 of the patent should be permitted to narrow the claim and thus escape the charge of infringement* where the patented [8] apparatus is used with steam generated therein, hence, not requiring the use of openings for the passage of steam." (Italics ours)

DIRECT CONFLICT BETWEEN THIS CASE AND THE CASE OF WESTINGHOUSE CO. V. FORMICA CO.

In the case at bar the Circuit Court of Appeals expressly refused to narrow the claim of the patent as to the estopped petitioners, even after it held that the patent was totally invalid for want of invention over the prior art, and by so doing applied such a broad construction to

8. By the use of the word "patented" the Circuit Court of Appeals undoubtedly meant the patented "Koolerwave" apparatus patented to petitioners and did not mean the patent in suit because in the patent in suit the Court expressly recognized that the disclosure and teachings of that patent required the use of openings or nipples so that it could be connected by rubber hoses to a steam generating boiler located at some other point, whereas in the apparatus held to infringe a chemical cartridge for generating heat is located directly within the jacket. The evidence is undisputed that if the device alleged to infringe had openings for the inflow of steam, that it would be inoperative to wave hair, and the Circuit Court of Appeals in its opinion recognized this fact (R. Vol. IV, page 872).

the claim of the patent that it included the device held to be infringing, which would not function if made in accordance with the teachings of the patent in suit and which had a function which could not be accomplished by the device of the patent in suit if that device were made to perform the purposes for which it was intended in the patent.

Certainly, the Circuit Court of Appeals would not have so construed the claim as against a stranger to the patent under the rules of *Miller* v. *Eagle Manufacturing Company* (supra) and *Westinghouse Co.* v. *Formica Co.* (supra),[9] but, undoubtedly, as is clear from its opinion, it refused to narrow the claim despite the prior art because of the estoppel to deny validity that existed against these petitioners. This Court in *Westinghouse Co.* v. *Formica Co.* expressly and clearly rules that the exact rule of construction must apply to an estopped assignor as applied to a stranger to the patent. In fact, in the *Westinghouse Co.* v. *Formica Co.* case the Court read into the claim there under discussion an essential element of the device not referred to by the language of the claim. This is exactly what the Circuit Court of Appeals should have done in the case at bar. They should have read into claim 3 the essential element "an opening for the inflow of steam" which is present in every other claim of the patent in suit, and thus narrowed the claim to a structure fully equivalent to that shown in the patent in suit, and as the device held to be an infringement did not in-

9. The holding of the *Westinghouse Co. v. Formica Co.* case on this point is as follows: "In view of the art, however, it is very clear that the 11th and 12th claims must be read to include as an essential element of the combination therein claimed, the two-step process."

clude such an element, the Circuit Court of Appeals should have found non-infringement under well settled rules of law that the omission of an element from a claim avoids infringement of that claim.

Therefore, the decisive ruling of the Circuit Court of Appeals on infringement:

> "We see no reason why the vendor of claim 3 of the patent should be permitted to narrow the claim and thus escape the charge of infringement"

is in direct conflict with the applicable decisions of this Court above cited. We are convinced that the Circuit Court of Appeals reached an erroneous conclusion with respect to the question of infringement by these petitioners by failure to properly apply the rule of this Court laid down in the *Westinghouse Co.* v. *Formica Co.* case.

THE CIRCUIT COURT OF APPEALS EXTENDED THE DOCTRINE OF ESTOPPEL BEYOND THAT LAID DOWN BY THIS COURT.

The Circuit Court of Appeals in the case at bar not only ruled that an assignor and those in privity with him are estopped from denying the validity of the patent, but in effect ruled that they are also estopped to narrow the claims of the patent in suit by the showing of the state of the prior art. Unquestionably, this would be a dangerous extension of the doctrine and would in effect extend the patent laws to a point beyond that to which they were intended to extend. Certainly, under the equitable doctrine of estoppel an assignor should not deny the title or validity of the patent which he has conveyed, but neither should a patent so conveyed be construed so

broadly that it would include devices for a purpose and function and having a construciton not within the teaching of the patent.

THE INEQUITABLE RESULT OF THE EXTENSION OF THE RULE OF ESTOPPEL BY THE CIRCUIT COURT OF APPEALS.

The doctrine of estoppel, of course, is founded on equitable principles, but in this case its extension by the Circuit Court of Appeals results inequitably as against these petitioners. For example, the petitioner Moseley had no part in the assignment, and all he did was to advance money and services in assisting in perfecting the later Keele invention on "Koolerwave." But because of his association with Keele in this capacity, he is now deprived of the fruits of his services and investment by being enjoined from dealing in "Koolerwave" and will likely be deprived (if the decision of the Circuit Court of Appeals is permitted to stand) from the benefits accruing under the patents. This is certainly inequitable.

The petitioner Keele, by inventing a new and patentable method and apparatus for waving hair by chemical heat which gave to the hairdressing trade something that they never had before and which received immediate and widespread success, is, by the decision of the Circuit Court of Appeals, not only probably deprived of all the fruits of his invention and labor in perfecting it, but in addition is enjoined from using the "Koolerwave" apparatus and thus is placed in a position where he cannot practice his trade or profession on equal terms with other members of his profession. Certainly, the equitable doctrine of estoppel should not be extended to work to such an inequitable end.

CONCLUSION.

We respectfully submit that the decisive ruling of the Circuit Court of Appeals in the instant case on the question of infringement is in direct conflict with the applicable decisions of this Court; that this question is a Federal question which is of considerable importance with regard to the patent laws of the United States, and involves a substantial right of citizens to practice their calling on equal terms with all others; that because of the conflict, the instant case is one calling for the exercise of the supervisory powers of this Court to grant a Writ of Certiorari under Rule 38, subdivision 5 (b) of the rules of this Court, and the petitioners, therefore, respectfully pray that a Writ of Certiorari be granted so that this Court may review the decision of the Circuit Court of Appeals for the Ninth Circuit and finally reverse it.

Respectfully submitted,

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